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Barnard Pipeline, Inc.*

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

**In re:**

**PG&E CORPORATION,**

**-and-**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

**Debtors.**

Bankruptcy Case  
Case No. 19-30088 (DM)  
Chapter 11  
(Lead Case)  
(Jointly Administered)

- ☐ Affects PG&E Corporation  
☐ Affects Pacific Gas and Electric Company  
☒ Affects both Debtors

*\* All papers shall be filed in the Lead Case,  
No. 19-30088 (DM)*

**NOTICE OF CONTINUED PERFECTION  
OF MECHANICS LIEN PURSUANT TO 11  
U.S.C. § 546(b)(2)**

San Bernardino County (Lien 2019-0024396)

Barnard Pipeline, Inc. ("Barnard"), by and through its undersigned counsel, hereby gives notice of continued perfection of its mechanics lien under 11 U.S.C. § 546(b)(2), as follows:

1. Barnard has provided and delivered labor, services, equipment, and/or materials for the construction and improvements of projects located in the County of San Bernardino, State of California (the "Property"), the legal description for which is set forth in the Claim of Mechanics Lien, a true copy of which is attached hereto as **Exhibit A** (the "Mechanics Lien").

2. The Property is owned by PG&E Corporation and/or Pacific Gas and Electric Company (collectively, the "Debtors"), which filed voluntary petitions for relief under Chapter 11

1 of Title 11 of the United States Code (the "Bankruptcy Code") on January 29, 2019 (the "Petition  
2 Date").

3 3. On January 24, 2019, before the Petition Date, Barnard properly and timely recorded  
4 its Mechanics Lien under California Civil Code § 8400, *et seq.* in the Official Records of San  
5 Bernardino County, State of California.

6 4. Through January 22, 2019, the amount owing to Barnard subject to its Mechanics  
7 Lien is at least \$18,345,566.47, exclusive of accruing interest and other charges, and additional  
8 amounts which have continued and are continuing, to accrue after the Petition Date.

9 5. California Civil Code § 8460(a) provides that:

10 The claimant shall commence an action to enforce a lien within 90  
11 days after recordation of the claim of lien. If the claimant does not  
12 commence an action to enforce the lien within that time, the claim  
of lien expires and is unenforceable[.]

13 6. Pursuant to California Civil Code § 8460, an action to enforce a lien must be  
14 commenced within 90 days after recordation of the claim of lien. However, section 362 of the  
15 Bankruptcy Code automatically stays Barnard from filing a state court action to enforce its  
16 mechanics lien. *See* 11 U.S.C. § 362.

17 7. Section 546(b)(2) of the Bankruptcy Code provides that when applicable law

18 ... requires seizure of such property or commencement of an action  
19 to accomplish such perfection, or maintenance or continuation of  
20 perfection of an interest in property; and ... such property has not  
21 been seized or such an action has not been commenced before the  
22 date of the filing of the petition; such interest in such property shall  
be perfected, or perfection of such interest shall be maintained or  
continued, by giving notice within the time fixed by such law for  
such seizure or such commencement.

23 *See* 11 U.S.C. § 362; *see also Village Nurseries v. Gould (In re Baldwin Builders)*, 232 B.R. 406,  
24 410-11 (9<sup>th</sup> Cir. 1999); *Village Nurseries v. Greenbaum*, 101 Cal.App.4<sup>th</sup> 26, 41 (Cal. Ct. App.  
25 2002).

26 8. Accordingly, Barnard hereby provides notice of its rights as a lienholder in the  
27 Property pursuant to California's mechanics lien law. Barnard is filing and serving this notice to  
28 perfect, preserve, maintain, and continue the perfection of its lien and its rights in the Property to

1 comply with the requirements of California state law, 11 U.S.C. §§ 362(a), 362(b)(3), and  
2 546(b)(2), and any other applicable law. This notice constitutes the legal equivalent of having  
3 recorded a mechanics lien in the recorder's office for the county where the Property is located and  
4 then having commenced an action to foreclose the lien in the proper court. By this notice, the  
5 Debtors and other parties in interest are estopped from claiming that the lawsuit to enforce  
6 Barnard's mechanics lien was not timely commenced pursuant to applicable state law. Barnard  
7 intends to enforce its lien rights to the fullest extent permitted by applicable law. The interests,  
8 perfected, maintained, or continued by 11 U.S.C. § 546(b)(2) extend in and to the proceeds,  
9 products, offspring, rents, or profits of the Property.

10 9. The filing of this notice shall not be construed as an admission that such filing is  
11 required under the Bankruptcy Code, the California mechanics lien law, or any other applicable  
12 law. In addition, Barnard does not make any admission of fact or law, and Barnard asserts that its  
13 lien is senior to and effective against entities that may have acquired rights or interests in the  
14 Property previously.

15 10. The filing of this notice shall not be deemed to be a waiver of Barnard's right to  
16 seek relief from the automatic stay to foreclose its mechanics lien and/or a waiver of any other  
17 rights or defenses.

18 11. Barnard reserves all rights, including the right to amend or supplement this notice.

19 Dated: April 11, 2019

**WATT, TIEDER, HOFFAR & FITZGERALD,  
L.L.P.**

By: 

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**CERTIFICATE OF SERVICE**

I hereby certify that on April 12, 2019, I caused a copy of the foregoing Notice of Continued Perfection of Mechanics Lien Pursuant to 11 U.S.C. § 546(b)(2) to be sent via e-mail and/or first-class mail to the parties identified in the Master Core/2002 Service List attached hereto as **Exhibit B**.



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Jane G. Kearl